

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re: Chapter 11

CEDAR CHEMICAL CORPORATION and Case Nos. 02-11039 (SMB) and  
VICKSBURG CHEMICAL COMPANY, 02-11040 (SMB)

Debtors. Jointly Administered

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**CONSENT ORDER RESOLVING MOTION FOR DETERMINATION  
OF RICECO'S LIABILITY FOR ENVIRONMENTAL CLEANUP**

Upon the motion dated February 7, 2003 (the "Motion") of the above-captioned debtors and debtors-in-possession (the "Debtors") for an order pursuant to 11 U.S.C. § 105, determining that RiceCo, LLC ("RiceCo") is not liable for cleanup of the facility (the "Cedar Facility") formerly owned and operated by Cedar Chemical Corporation ("Cedar") as asserted by the Arkansas Department of Environmental Quality (the "ADEQ") and, pursuant to 11 U.S.C. §§ 362(a) and 105, applying and enforcing the automatic stay with respect to actions taken by the ADEQ; and good and sufficient notice of the Motion having been given in accordance with the Bankruptcy Code and Bankruptcy Rules and no further notice need be given; and

Opposition to the Motion having been filed by both the ADEQ and the United States, on behalf of the Environmental Protection Agency (the "EPA"); and Cedar, the ADEQ and the EPA having agreed to resolve the Motion and the objections to the Motion upon the terms set forth in this Consent Order; and

The Court having determined that the relief requested in the Motion as agreed to herein is in the best interest of the Debtors, their estates and creditors; and upon the record of these chapter 11 cases; and after due deliberation thereon and good cause appearing therefor; it is hereby

ORDERED, that at the closing of the sale of Cedar's interest in RiceCo, the motion for approval of which is presently scheduled to be heard on March 11, 2003 (the "RiceCo Sale"), the ADEQ shall be paid the sum of \$215,000 from the proceeds of the RiceCo Sale, for use by the ADEQ in the clean-up of any contamination at the Cedar Facility for which the ADEQ asserts that RiceCo is liable; and it is further

ORDERED, that the \$215,000 payment to the ADEQ shall be in full satisfaction, release and discharge of any and all claims that the ADEQ may have as against RiceCo with respect to Cedar or the Cedar Facility, whether known, unknown, foreseen, unforeseen, existing or hereafter arising, from the beginning of time to the date of this Order, and such claims be, and hereby are, fully released and discharged; and it is further

ORDERED, that nothing herein shall be deemed to constitute any release or discharge of any liabilities or obligations to, or claims or rights of, the EPA by or against RiceCo with respect to the Cedar Facility; and it is further

ORDERED, that nothing herein shall be deemed to constitute an admission by RiceCo or Cedar as to any liability of RiceCo to the ADEQ, the EPA or any other entity, with respect to the environmental contamination at the Cedar Facility.

Dated: New York, New York  
February \_\_, 2003

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Stuart M. Bernstein  
Chief United States Bankruptcy Judge

CONSENTED AND AGREED TO:

ANGEL & FRANKEL, P.C.  
Counsel to Cedar Chemical Corporation

By: \_\_\_\_\_  
Bonnie L. Pollack, Esq. (BP-3711)

DAVIS POLK & WARDWELL  
Counsel to the Agent for Debtors' Pre-Petition  
Lenders

By: \_\_\_\_\_  
Benjamin Kaminetzky, Esq. (BK- )

ARKANSAS DEPARTMENT OF ENVIRONMENTAL QUALITY

By: \_\_\_\_\_  
Daniel D. Etzkorn, Esq. (DE-0117)

UNITED STATES ATTORNEY'S OFFICE  
On behalf of the Environmental Protection Agency

By: \_\_\_\_\_  
David J. Kennedy, Esq. (DK-8307)